

Senate File 2326 - Introduced

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BY HART

A BILL FOR

1 An Act modifying the number and qualification of cities that
2 may participate in the targeted jobs withholding tax credit
3 program.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.19A, subsection 2, Code 2014, is
2 amended to read as follows:

3 2. a. An eligible city may apply for designation as a pilot
4 project city pursuant to this subsection. An eligible city is
5 a city that wholly contains three or more census tracts and is
6 located in a county meeting one of the following requirements:

7 (1) A county that borders Nebraska.

8 (2) A county that borders South Dakota.

9 (3) A county that borders a state other than Nebraska or
10 South Dakota.

11 (4) A county that borders Illinois.

12 b. (1) The department of economic development shall
13 approve ~~four~~ six eligible cities as pilot project cities, one
14 pursuant to paragraph "a", subparagraph (1), one pursuant to
15 paragraph "a", subparagraph (2), ~~and~~ two pursuant to paragraph
16 "a", subparagraph (3), and three pursuant to paragraph "a",
17 subparagraph (4).

18 (2) If For cities approved pursuant to paragraph "a",
19 subparagraphs (1), (2), or (3), if two eligible cities are
20 approved which are located in the same county and the county
21 has a population of less than forty-five thousand, the two
22 approved eligible cities shall be considered one pilot project
23 city. If more than two cities meeting the requirements of
24 paragraph "a", subparagraph (3), apply to be designated as
25 a pilot project city, the department of economic development
26 shall determine which two cities hold the most potential to
27 create new jobs or generate the greatest capital within their
28 areas. Applications from eligible cities seeking approval
29 under paragraph "a", subparagraph (1), (2), or (3), filed on or
30 after October 1, 2006, shall not be considered.

31 (3) For cities approved pursuant to paragraph "a",
32 subparagraph (4):

33 (a) One city shall have a population of at least twenty-six
34 thousand four hundred residents but not more than twenty-seven
35 thousand residents, which city shall be located in a county

1 with a population of at least forty-eight thousand five hundred
2 residents but not more than fifty thousand residents, as
3 determined by the 2010 certified federal census.

4 (b) One city shall have a population of at least eighty-five
5 thousand six hundred residents but not more than one hundred
6 ten thousand residents, which city shall be located in a county
7 with a population of at least one hundred twenty thousand
8 residents but not more than one hundred seventy thousand
9 residents, as determined by the 2010 certified federal census.

10 (c) One city shall have a population of at least three
11 thousand six hundred residents but not more than five
12 thousand residents, which city shall be located in a county
13 with a population of at least one hundred twenty thousand
14 residents but not more than one hundred seventy thousand
15 residents, as determined by the 2010 certified federal census.
16 Notwithstanding the requirement in paragraph "a" that a city
17 wholly contain three or more census tracts, a city may be
18 approved pursuant to this subparagraph division regardless of
19 the number of census tracts the city contains.

20 (d) Applications from eligible cities seeking approval
21 under paragraph "a", subparagraph (4), filed on or after January
22 1, 2015, shall not be considered.

23 ~~{2}~~ (4) If a pilot project city does not enter into a
24 withholding agreement within one year of its approval as a
25 pilot project city, the city shall lose its status as a pilot
26 project city. If two pilot project cities are located in the
27 same county, the loss of status by one pilot project city shall
28 not cause the second pilot project city in the county to lose
29 its status as a pilot project city. Upon such occurrence, the
30 department of economic development shall take applications from
31 other eligible cities to replace that city. Another city shall
32 be designated within six months.

33 ~~{3}~~ (5) On July 1, 2011, the economic development authority
34 shall assume responsibility for the administration of this
35 subsection.

1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with
3 the explanation's substance by the members of the general assembly.

4 This bill relates to the targeted jobs withholding tax
5 credit pilot project, which is a program that allows pilot
6 project cities to enter into withholding agreements with
7 businesses that meet certain job creation, capital investment,
8 and private financial support requirements within the city.
9 Withholding agreements provide for the diversion of a certain
10 percentage of the gross wages paid by the business to the pilot
11 project city for a project related to the employer pursuant to
12 the agreement.

13 Under current law, the program is restricted to four pilot
14 project cities; one in a county bordering Nebraska, one in a
15 county bordering South Dakota, and two in counties bordering
16 states other than Nebraska or South Dakota. However, a county
17 with a population of less than 45,000 residents may count
18 two cities as one pilot project city. The current pilot
19 project cities are Sioux City, Fort Madison, Council Bluffs,
20 Burlington, and Keokuk.

21 The bill amends the requirement that eligible cities contain
22 three or more census tracts to specify that eligible cities
23 wholly contain three or more census tracts.

24 The bill allows three additional eligible cities from
25 counties that border Illinois to be designated as pilot project
26 cities. In order to qualify, the following requirements must
27 be met:

28 1. One city must have a population of 26,400 to 27,000
29 residents, and must be located in a county with a population
30 of 48,500 to 50,000 residents.

31 2. One city must have a population of 85,600 to 110,000
32 residents and must be located in a county with a population of
33 120,000 to 170,000 residents.

34 3. One city must have a population of 3,600 to 5,000
35 residents and must be located in a county with a population of

1 120,000 to 170,000 residents. A city may qualify under this
2 designation regardless of whether or not it wholly contains
3 three or more census tracts.

4 The bill allows applications from eligible cities for
5 designation as these pilot project cities to be filed before
6 January 1, 2015.